

COMMITTEE ON HUMAN RESOURCES/INSURANCE

December 18, 2001

5:15 PM

Chairman Lopez called the meeting to order.

Present: Aldermen Lopez, Sysyn, Shea, Vaillancourt, O'Neil

Chairman Lopez stated they would move over item three, and take that item last.

4. Change in Health Care Reimbursement plan maximums from \$1,500 to \$2,000.
(HR Director recommends approving this change.)

Ms. Lamberton commented on the flexible spending program stating it was a program developed by the IRS to allow employees to have unreimbursed medical expenses. In other words medical expenses that are not covered by employee's health insurance, eye glasses, co-pays for doctors visits and prescriptions, where they can guesstimate within a calendar year how much that is going to be and they can have that taken off the top. In other words, say its \$1,500 they can have \$1,500 deducted from their paycheck in 52 weeks increments and that reduces their gross pay by \$1,500 so it reduces our liability for social security. And then the employee submits their forms to the company that does it for us and they get reimbursed. It's a win-win situation because we are saving money on the social security, and the employee, most people are not going to have 20 % of their income in gross income in non-reimbursable medical expenses, so they couldn't have it held from their income tax normally anyway, so employees have asked that we increase it from \$1,500 to 2,000 which I agree with, I was surprised it was only \$1,500 to begin with.

Alderman Shea asked how many now take advantage of that.

Ms. Lamberton responded only 8% of the employees were taking advantage of it at present, so we have marketed it this last month to get more people involved. Employees can also authorize us to have their co-pay on their premiums flexed which does not adversely affect the \$1,500 or the other part of it which is for day care for children or dependent adults, that's a \$5,000 maximum there and people do participate in that.

Alderman Vaillancourt stated if they do not reach the \$1,500 or \$2,000 that is taken out do you end up having to pay for this at the end of the year.

Ms. Lamberton responded no, if the employee has the deduction, if they don't use it they lose it, and the money then comes to the employer. So people were advised to guesstimate lowball. Like when I'm talking I go back over the last year and see how many things I paid for, and then unless I think I'm going to get a crown or my children need braces or something then I'm just going to lowball it based on what I spent last year.

Alderman Vaillancourt asked what the advantage was to the employee to use this, a regular cash flow.

Ms. Lamberton responded well the advantage is that it is unlikely that you would be able to use your non-reimbursed medical expenses when you are doing your income tax, because that rule is you need to get 20% of your gross income.

Alderman Vaillancourt stated right, but if they took the \$2,000 and used on \$1,000 they lose \$1,000.

Ms. Lamberton stated the employee would.

Alderman Vaillancourt asked what the IRS maximum allowance was for this.

Ms. Lamberton responded \$3,000, and \$5,000 for day care.

Alderman Vaillancourt stated so the max is 3 and they only want to go to 2.

Ms. Lamberton stated that is what they asked for. I think 2 is fine, do that for this year and see how it goes and then we can go to three.

Alderman Vaillancourt moved to approve the change from \$1,500 to \$2,000.
Alderman Shea duly seconded the motion.

Alderman Gatsas asked why every employee wasn't using the medical deduction for premium amount on a pretax basis every month.

Ms. Lamberton responded she asked the same question and felt it was a lack of understanding, and there is also on some people's parts a fear that it would act adversely on them in the long run on their social security. I don't think that was probably true if you gauge things right. I am surprised that the city didn't automatically put everybody on that when you had copays, I would have encouraged that to happen but now it is a change and so change is difficult.

Alderman Vaillanocurt asked how much that would be for the average employee. It was noted that it was 12.5 percent of whatever their health insurance was which worked to about \$100 a month.

Chairman Lopez called for a vote. The motion carried with none recorded in opposition.

5. Communication from Aldermen Pariseau and O'Neil proposing that any individual who has served the City as an alderman for a period of 25 years be allowed to continue participation in the City's health insurance program under the same terms and conditions as others upon leaving office.
(Note: BMA referral of 12/4/01.)

The clerk noted I was her understanding that the communication had been withdrawn so a motion to receive and file could be in order.

Alderman O'Neil moved to withdraw the communication and receive and file. Alderman Sysyn duly seconded the motion. There being none opposed the motion carried.

6. New hire/ termination reports submitted for informational purposes only.
(HR recommends reports be received and filed.)

On motion of Alderman Shea, duly seconded by Alderman Sysyn, it was voted to receive and file the reports.

New Business

Alderman Shea requested to bring up an item and was so recognized. Alderman Shea stated one of the factors in the Yarger Decker report is how the evaluation process works, or doesn't work as it were. People being evaluated in my judgement and I think it's common sense should be informed when a low evaluation has been given, and what they can do to improve their job performance. As of right now, when people are evaluated, they are evaluated in certain instances but there is no reasons given why a person receives a low grade or why that particular person, or how rather they should improve their job performance. I realize that this is probably in rare blatant cases, but I think that any evaluation that does not allow for a person to be given reasons whyk and any evaluation that does not give specific ways as to how that person's job performance can be improved in my opinion is invalid, isn't a true evaluation. It's a subjective

evaluation predicated upon the subjective viewpoint of the subjective person subjecting that person. So basically I used that word quite repeatedly but the point of the matter is that it is probably predicated upon either lack of information or prejudice, so what I am suggesting for consideration is that there possibly be a three member committee consisting of a person like Ms. Lamberton from her department, possibly a human resources committee member and a person from the department where the employee is working, but not necessarily the person who has done the evaluation of that person. Now this process should be restrictive in nature and relate only to the cases that are determined by this committee to be of a serious nature where serious grounds exist to justify such a procedure. In other words if there is blatant subjectivity bias, prejudice and so forth, in other words if the person evaluating an individual was out to get that person than I really think that there should be some way or means for an employee to say look, I have been given an evaluation, they're all ones and the person evaluating me doesn't tell me why and doesn't tell me how I can improve my job performance.

Chairman Lopez stated he totally agreed with Alderman Shea, if it's okay why don't we turn it over to the HR Director and have her give us a package, we may have to change some policies, I think some people have come to me at the same time and they are not giving an explanation when the department head gives them a lower.

Alderman O'Neil stated that could happen to someone who scored even the minimal amount to get their merit increase but yet they may not feel that total number was correct, this could be somebody that gets their merit increase. I think it is a good point and commend Alderman Shea for bringing it up.

Alderman O'Neil moved to have Ms. Lamberton look into Alderman Shea's points. Alderman Shea duly seconded the motion. There being none opposed the motion carried.

Alderman O'Neil asked how the process was on filling vacancies for police, fire and highway going.

Ms. Lamberton stated that Highway had been authorized to fill eight vacancies. Alderman O'Neil asked if it was moving fairly quickly, noting they were led to believe that turnover was to be very quick on this process so they can fill the positions, asking if it was two working days, two weeks.

Ms. Lamberton responded it was not two weeks.

Alderman Lopez asked if there was anything out there that Alderman O'Neil was aware of for a problem.

Alderman O'Neil responded no, commenting that last night there were 26 trucks out sanding and salting and he was concerned that the jobs get filled quickly.

Ms. Lamberton noted that Police had made offers on the four patrolmen vacancies, and Fire had a full house at present.

3. Pending Claim.

Alderman Sysyn moved to enter non-public session under the provisions of RSA 91-A:2.I, (c). Alderman O'Neil duly seconded the motion. A roll call vote was taken with all members voting in the affirmative.

The committee entered non-public session. Attorney Salafia of Devine, Milimet & Branch, Ms. Lamberton, and Harry Ntapolis (Risk Manager) remained in attendance. Discussion centered on a pending worker's compensation claim.

Following brief discussion on motion of Alderman Shea, duly seconded by Alderman Vaillancourt, it was voted to return to public session.

On motion of Alderman O'Neil, duly seconded by Alderman Sysyn, it was voted to authorize Attorney Salafia to proceed with settlement of the case.

There being no further business to come before the Committee, on motion of Alderman O'Neil, duly seconded by Alderman Sysyn, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee